

Message Text

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11

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 EB-07 INR-07 LAB-04

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FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 5739

USDOC WASHDC

INFO AMEMBASSY ABU DHABI

AMEMBASSY AMMAN

AMEMBASSY ATHENS

AMCONSUL DHAHRAN

AMEMBASSY JIDDA

AMEMBASSY MANAMA

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USDOC/CAGNE FOR TENNY

ATHENS FOR RTDO

E.O. 11652: N/A

TAGS: BEXP, KU

SUBJ: AMERICAN EXPO KUWAIT, 1976

REF: STATE 153689

1. EMBOFF HAS TALKED WITH SAID SABAWI OF SABAH AND SABAWI CO. WHO HAS RETURNED RECENTLY FROM TRIP TO US. PURPOSE OF TRIP WAS TO CLEAR UP PROBLEM INVOLVING FIRM'S SOLICITING U.S. COMPANIES' PARTICIPATION IN SUBJECT TRADE FAIR. SABAWI INFORMED US THAT, CONTRARY TO REF, PHP CORP. CONTINUES TO BE RETAINED FOR THIS PURPOSE, AS ARE OVERSEAS FINANCIAL INVESTMENT SERVICES (OFIS). DURING TRIP, SABAWI HIRED STILL ANOTHER FIRM, S.W. MYERS ATLANTIC (SUBSIDIARY OF MYERS GROUP), 2300 W. FORT ST., DETROIT, MICH. 48226. MOTIVE FOR HIRING THREE FIRMS, ACCORDING TO SABAWI, IS DISSATISFACTION OVER PARTICIPATION OF U.S. FIRMS (ONLY 30
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HAVE DEFINITELY SIGNED UP) AND DESIRE TO INCREASE ADVERTISING

COVERAGE IN US.

2. SABAWI ALSO CONTENTS THAT MAIN REASON FOR LACK OF PARTICIPATION IS CONFUSION IN MINDS OF US BUSINESSMEN BETWEEN HIS TRADE SHOW, ENTITLED "AMERICAN EXPO-KUWAIT, 1976", AND A SIMILAR EVENT SCHEDULED FOR MID-OCTOBER, "EXPO-SUMMIT -- FACE TO FACE -- 1976", ORGANIZED BY PATENTS INTERNATIONAL OVERSEAS CORP. (PIOC), IN CONJUNCTION WITH LOCAL KUWAITI FIRM, AL-AYYOUB CO. SABAWI CLAIMS THAT US FIRMS HAVE BEEN SIGNED UP WITH LATTER WITH PIOC ENCOURAGEMENT, THINKING THEY WERE PARTICIPATING IN FORMER. (REF PARA 2, SUGGESTS THAT CAGNE MAY BE SINILARLY CONFUSED. PIOC AND SABAH AND SABAWI HAVE NO CONNECTION WITH EACH OTHER.)

3. SABAWI CO. HAS FUTHER CONTENTED THAT PIOC, ALTHOUGH IT HAS BEEN ADVERTISING ITS EXPO SUMMIT FOR PAST FEW MONTHS (APPARENTLY SUCCESSFULLY FROM NUMBER OF US FIRMS MAKING ENQUIRIES TO EMBASSY HERE AND TO COMMERCE/CAGNE) DOES NOT HAVE NECESSARY APPROVAL FROM GOK MINISTRY OF COMMERCE AND INDUSTRY. SABAWI CAID GOK POLICY LIMITS TRADE FAIRS REPRESENTING PRODUCTS FROM ONE COUNTRY TO TWO PER YEAR--IN 1976, AMERICAN FOOD SHOW IN APRIL, AND SABAWI'S AMERICAN EXPO KUWAIT. EMBOFF HAS BEEN IN CONTACT WITH MINISTRY OFFICIALS INCLUDING MEMBER OF DEPT OF TRADE FAIRS AND EXHIBITIONS, WHO HAVE INFORMALLY CONFIRMED SABAWI CONTENTION. EMBASSY IS SENDING NOTE TO MINISTRY OF COMMERCE AND IDUSTRY SEEKING CONFIRMATION ON STATUS OF GOK APPROVAL FOR EXPO SUMMIT. SABAH AND SABAWI CO HAS CLAIMED FALSE ADVERTISING AND HAS REQUESTED THAT USG STOP PIOC FROM DOING SO. IN PARTICULAR, CO REPS HAVE ASKED THAT USDOC, THROUGH ITS PUBLICATIONS, STATE THAT PIOC DOES NOT HAVE NECESSARY APPROVAL FROM GOK.

4. COMMENT AND ACTION REQUESTED: EMBASSY HAS HEARD COMPLAINTS ABOUT PIOC SIMILAR TO THOSE REPORTED IN REF. IN FACT, ONE US BUSINESSMAN WHO HAD PARTICIPATED IN EXPO SUMMIT IN AMMAN, JORDAN, IN SPRING HAS THREATENED TO SUE PIOC FOR BREACH OF CONTRACT, CLAIMING THAT ADMINISTRATIVE ARRANGEMENTS WERE NON-EXISTENT. IF SABAWI CONTENTION THAT PIOC DOES NOT HAVE GOK APPROVAL TO HOLD FAIR IS CORRECT, IT WOULD SEEM APPROPRIATE FOR DOC/CAGNE TO BRING THIS FACT TO ATTENTION OF US FIRMS. AS SOON AS REPLY IS RECEIVED FROM GOK TO EMBASSY QUERY IN THIS CONNECTION, WE WILL PASS THIS ON TO COMMERCE FOR SUCH ACTION AS MAY BE REQUIRED.
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5. ON PHP MATTER (REF, PARA 5), COMPANY WAS HIRED PRIMARILY TO BRING JOSEPH BUCHIT AND SONS CONSTRUCTION CO. TO MIDDLE EAST TO MEET WITH SABAH AND SABAWI. PHP HAS ORIGINALLY BEEN SLATED TO PARTICIPATE IN HOTEL PROJECT IN DUBAI, BUT BOWED OUT AT LAST MINUTE, CLAIMING INABILITY TO MEET CONDITIONS. ACTION HAS NOT, APPARENTLY, AFFECTED PHP POSITION RE AMERICAN EXPO. ON HOTEL PROJECTS, SABAWI HAS INFORMED US THAT HE HAS SIGNED AGREEMENTS WITH BUCHEIT

TO CONSTRUCT 250-BED \$8.5 MILLION HOTEL IN AL-KHOBAR, AND 180-BED, \$5.5 MILLION HOTEL IN JUBAIL, SAUDI ARABIA.
MAESTRONE

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